

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of: Yuen

Serial No.: 09/607,606

Group No.: 2164

Filed: June 30, 2000

Examiner: G. Akers

For: INTERNET-BASED AUCTION METHOD

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Technology Center 2100

RESPONSE TO OFFICE ACTION

Assistant Commissioner for Patents
Washington, D.C. 20231

Dear Sir:

In response to the Office Action mailed October 19, 2001, the claims of this application are being resubmitted in unamended form for reconsideration in view of the following remarks.

Claims 1-7 stand rejected under 35 U.S.C. §103(a) over Godin et al. (U.S. Pat. No. 5,890,138) in view Herz et al. (U.S. Pat. No. 5,754,938). For the reasons set forth hereinbelow, Applicant contends that the combination of Godin et al. and Herz et al. does not support a finding of *prima facie* obviousness, and believes, instead, that the claims as drafted are allowable over the prior art. As Applicant believes that the independent claims 1 and 7 fully distinguish over these references, even in combination, the following arguments concentrate on claims 1 and 7.

As far as Applicant can ascertain, the '138 patent to Godin et al. describes a typical reverse-auction process with some additional features to register and remove purchasers to and from the bidding process. The method assigns a designated time to each product to be auctioned, promotes the product and conducts an auction at the designated time by setting a fixed time period for completion. Current price and quantity are displayed and decreased as the time remaining in the auction decreases. Each potential purchaser is provided with a designated actuation control for instructing the computer site of the decision to purchase the product at the current price at the time of receiving the instructions, and potential purchasers are registered by obtaining and recording financial data for automated payment of a purchased product.

In terms of potential improvement to an otherwise conventional reverse auction process, the

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method includes the step of removing each purchaser from the auction process upon providing instructions to purchase the product so as not expose that purchaser to further decreases in the price of the product. Registration of the purchaser or potential purchasers can take place as part of a pre-registration process, and can occur on-line or can be carried out off-line. The user's terminal may also be connected directly to separate and distinct financial institutes for real time confirmation of acceptable financial transaction of the purchase price of a product to achieve automated payment confirmation.

The '938 patent to Herz et al., on the other hand, is directed to automated search techniques and "data mining," an entirely different field of endeavor. More specifically, the invention of Herz relates to customized electronic identification of desirable objects, such as news articles, in an electronic media environment. The system automatically constructs both a "target profile" for each target object in the electronic media database and a "target profile interest summary" for each user, which describes the user's interest level in various types of target objects. The target profile for each target object may be based, for example, on the frequency with which each word appears in a news article relative to its overall frequency of use. The system then evaluates the target profiles against the users' target profile interest summaries to generate a user-customized rank ordered listing of target objects most likely to be of interest to each user so that the user can select from among these potentially relevant target objects, which were automatically selected by this system from the plethora of target objects that are profiled on the electronic media. A cryptographically-based pseudonym proxy server is also provided to ensure the privacy of a user's target profile interest summary.

It is well-settled that in order to reject claims under 35 U.S.C. §103, an Examiner must provide a reason why one having ordinary skill in the pertinent art would have been led to combine references so as to arrive at Applicant's claimed invention. There must be something *in the prior art* that suggested the combination, other than the hindsight gained from knowledge that the inventor choose to combine these particular things in this particular way. Uniroyal Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 1051, 5 USPQ2d 1434, 1438 (Fed. Cir. 1988). The Examiner is also required to make specific findings on a suggestion to combine prior art references. In Re Dembeczak, 175 F.3d 994, 1000-01, 50 USPQ2d 1614, 1617-19 (Fed. Cir. 1999).

In this case, the Examiner states that "it would have been obvious to one of skill in the art at the time of the invention to combine Godin in view of Herz ... the motivation to combine is to teach a

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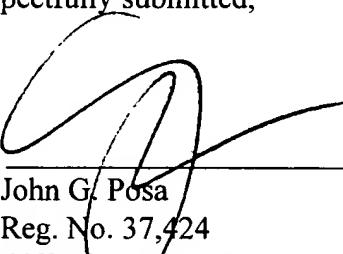
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system that allows users to navigate through a plethora of information in information-retrieval technology as enunciated by Herz (column 2, lines 3-10)." This conclusion does not serve as a sufficient justification for rejection of Applicant's claims. While, yes, it is a recognized need to provide search engines and other tools to navigate through a "plethora of information" as Herz calls it, this is only part of the problem facing Applicant, the solution to which is provided through the instant invention. In particular, Applicant's claimed subject matter includes the step of conducting or otherwise obtaining the lowest price among posted prices for a desired article, then, based upon this price as a starting point, uses this to solicit further bids on an ongoing basis until the product(s) are sold. The Examining concedes that this is not taught by Godin, but uses Herz to essentially fill in the blank. However, this is not justified, since Herz is not directed to the auctioning process at all, but is instead, directed to information gathering in general.

Based upon the foregoing, Applicant believes all claims are in condition for allowance. Questions regarding this application may be directed to the undersigned attorney at the telephone and facsimile numbers provided.

Respectfully submitted,

By:


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